

Message Text

SECRET

PAGE 01 DAMASC 03271 241536Z
ACTION NODS-00

INFO OCT-01 ISO-00 /001 W
-----241537Z 023142 /42
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FM AMEMBASSY DAMASCUS
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S E C R E T DAMASCUS 3271

NODIS

FOR SECRETARY FROM MURPHY

E.O. 11652: GDS
TAGS: PFOR, SY, US
SUBJECT: SAUDI FINANCIAL ASSISTANCE TO SYRIA

REF: 76 DAMASCUS 6286, 76 STATE 233918

1. SUMMARY.

KHADDAM REMAINS SHARPLY CRITICAL ABOUT LACK OF SAUDI
FINANCIAL ASSISTANCE TO SYRIA. SAID HE PERSONALLY ATTRIBUTES
SAUDI PARSIMONY EITHER TO USG COUNSEL AGAINST SUCH ASSISTANCE

OR AT LEAST TO OUR NOT GIVING A GREEN LIGHT TO RIYADH. END
SUMMARY.

2. I HAVE MET WITH KHADDAM TWICE IN THE LAST FEW DAYS,
MAY 21 AND MAY 24. AT THE END OF OUR MAY 21 MEETING,
FONMIN AFTER FIRST ASKING HIS NOTETAKER NOT TO RECORD THIS
PORTION OF THE CONVERSATION, UNBURDENED HIMSELF WITH A
SHARP ATTACK ABOUT THE LACK OF SAUDI FINANCIAL ASSISTANCE
TO SYRIA. EGYPT AND SYRIA ARE "AMONG THE BASIC FORCES"
IN THE ARAB WORLD AND IN THEIR EVOLUTION DEPENDS MUCH
OF THE AREA'S FUTURE DIRECTION. IF THEIR PRESENT ECONOMIC

SECRET

SECRET

PAGE 02 DAMASC 03271 241536Z

PLIGHT CONTINUES TO DEEPEN AND POVERTY TO INCREASE,
THERE WILL BE A FERTILE GROUND FOR COMMUNIST IDEOLOGY.
SCOFFING BY IMPLACTION AT EGYPT'S AFRICAN POLICY, KHADDAM
SAID, "THE DANGER TO SAUDI ARABIA WILL COME FROM SYRIA
AND EGYPT AND NOT FROM ZAIRE." SAUDI PRINCES SPEND MILLIONS
ON EACH TRIP TO EUROPE AND THE KINGDOM'S WEALTH SOARS DAILY.
THIS IS CREATING AN INTOLERABLE SITUATION AND ONE WHICH

CANNOT CONTINUE. TODAY, KHADDAM COMPLAINED, SYRIA IS UNABLE EVEN TO BUILD THE SCHOOLS IT NEEDS. ITS PRESENT PRIMARY SCHOOLS OPERATE WITH 70 CHILDREN TO A CLASSROOM IN FACILITIES USING TWO AND EVEN THREE SHIFTS A DAY.

3. KHADDAM THEN SAID HE BELIEVED WASHINGTON WAS TELLING SAUDI ARABIA NOT TO HELP DAMASCUS. I REMINDED HIM WE HAD DISCUSSED THIS LAST FALL WHEN I HAD GIVEN HIM ASSURANCES THIS WAS UNTRUE. THIS FACT HAD NOT CHANGED. THE SAG OPERATED ITS OWN FOREIGN ASSISTANCE POLICY. I ASKED HIM TO CITE AN EXAMPLE OF WHERE HE CONSIDERED THE SAUDIS WERE BEING PARTICULARLY HELPFUL TO ANY OTHER COUNTRY. HE REPLIED, SOMEWHAT INCONSISTENTLY WITH FOREGOING, THAT THEY HAD EFFECTIVELY MET SADAT'S IMMEDIATE FINANCIAL NEEDS BY THEIR GRANT OF \$2 BILLION. I RECALLED THAT SADAT HAD SPOKEN OF EGYPT'S NEED FOR \$12 BILLION. KHADDAM REPLIED SADAT WAS PRONE TO EXAGGERATE HIS NEEDS.

4. I ALSO NOTED KHADDAM SHOULD MAKE ALLOWANCES FOR ENDEMIC INERTIA OF THE SAUDI BUREAUCRACY. HE THEN BACK-PEDALED SLIGHTLY AND ASSERTED THAT AT THE VERY LEAST AMERICA WAS NOT ACTIVELY ENCOURAGING SAUDIS TO ASSIST SYRIA. ASKED IF HE HAD DISCUSSED THIS AS FRANKLY WITH THE SAUDIS AS HE WAS DOING WITH ME, KHADDAM REPLIED HE HAD COVERED THIS GROUND AT LEAST FIVE TIMES WITH THE SAUDI LEADERSHIP. HE THEN RECALLED BITTERLY FORMER SECRETARY KISSINGER'S PROMISE OF LAST SEPTEMBER (76 STATE 233918) THAT HE WOULD DISCUSS THE QUESTION OF SUPPORT FOR SYRIA WITH THE SAUDI FOREIGN MINISTER, AMONG OTHERS, AT LAST YEAR'S UNGA. SECRE-
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SECRET

PAGE 03 DAMASC 03271 241536Z

TARY KISSINGER HAD APPARENTLY NOT DONE SO, AT LEAST THERE HAD BEEN NO FOLLOW UP OF WHICH KHADDAM WAS AWARE.

5. KHADDAM CONCLUDED THAT OBVIOUSLY HE WOULD APPRECIATE ANYTHING WASHINGTON MIGHT DO TO ENCOURAGE THE SAUDIS TO HELP SYRIA BUT STRESSED THAT UNDER NO CIRCUMSTANCES SHOULD WE SAY WE WERE DOING THIS AT SYRIA'S REQUEST. IN MAY 24 MEETING, I ASKED KHADDAM HOW AL-ASSAD'S MEETING HAD GONE WITH SAUDIS MAY 18-19. HE DID NOT GO BEYOND HIS HABITUAL RESPONSE TO SUCH QUESTIONS, ("VERY WELL"), BUT DID SPEAK APPROVINGLY OF FAHD'S INTELLIGENCE.

6. COMMENT:

I DO NOT WANT TO OVERINTERPRET FONMIN'S MAY 24 REMARKS AS INDICATING AL-ASSAD IN FACT PICKED UP A NEW PLEDGE OF SAUDI FINANCIAL AID WHEN IN RIYADH LAST WEEK. KHADDAM'S OUTBURST ON MAY 21 PLUS THE FACT AL-ASSAD DOES NOT ENJOY THE ROLE OF FUND RAISER, INCLINES ME TO DOUBT THAT HE MADE

ANY SPECIFIC REQUEST FOR ASSISTANCE TO FAHD, MUCH LESS
RECEIVED ANY PLEDGE OF NEW AID.

6. MY MAY 21 MEETING TOOK PLACE BEFORE RECEIPT OF AMBASSADOR
PORTER'S THOUGHTFUL APPRAISAL OF THE LIKELY REASONS WHY SAG IS
NOT FURNISHING MORE SUPPORT FO DAMASCUS. I FIND NO FAULT
WITH HIS ANALYSIS AND BELIEVE THERE ARE GROUNDS TO
QUESTION WHETHER WE SHOULD ASSUME THE ROLE OF ARGUING FOR
SAUDI LARGESSE TO THIS COUNTRY. ONE ARGUMENT AGAINST DOING
SO IT THAT IF WE PROVED SUCCESSFUL ONCE, THIS WOULD GIVE THE SYRIANS
THE CHANCE TO ACCUSE US OF NOT TRYING HARD ENOUGH IF EW WERE UN-
WILLING TO REPEAT OUR INTERVENTION. ALSO, SOME MAY ARGUE IT NOT
A BAD IDEA FOR THE SYRIANS TO BE ON A TIGHT FINANCIAL LEASH
WHETHER OR NOT THIS IS A DELIBERATE SAUDI POLICY.

7. NONETHELESS, I AM DISTURBED AND WANTED TO BRING TO YOUR ATTENTION
KHADDAM'S ASSUMPTION, WHICH I PRESUME AL-ASSAD SHARES, THAT THE
SECRET

SECRET

PAGE 04 DAMASC 03271 241536Z

USG FAILED TO CARRY THROUGH ON A SPECIFIC COMMITMENT LAST
FALL. I STILL BELIEVE, AS I CABLED SECRETARY KISSINGER
THEN, THAT "HOW WE RESPOND TO HIS REQUEST COULD INFLUENCE
FUTURE SYRIAN ATTITUDES TOWARDS WORKING WITH US IN THE
ARAB/ISRAELI PEACE PROCESS." (76 DAMASCUS 6286) A
CREDIBILITY GAP ON THIS SPECIFIC POINT IS
UNFORTUNATE. SECONDLY, IT IS RELEVANT TO RECALL THAT WE MADE A
POINT OF TELLING THE SYRIANS LAST FALL OF OUR READINESS
TO ASSIST BY REPROGRAMMING OUR FY 77 AID FUNDS FOR SYRIA TO
MEET SHORT TERM FOREIGN EXCHANGE SQUEEZE.

8. SUGGEST PASS JIDDA.
MURPHY

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